

HOUSE BILL 2727  
By Overbey

AN ACT to amend Tennessee Code Annotated, Title 71, Chapter 5, Part 1, relative to essential access payments in the TennCare program.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following as a new section:

Section 71-5-199.

(a) Essential access payments to providers participating in the TennCare program pursuant to appropriations made in the annual General Appropriations Act shall be paid in accordance with the formula submitted by the TennCare bureau in fiscal year 2003 and approved by the Centers for Medicare and Medicaid Services (CMS). This formula shall be modified however to establish three (3) pools to distribute the available funds. Ninety percent (90%) of the funds available shall be designated to be paid to general acute care hospitals, five percent (5%) of the funds shall be designated to be paid to children's hospitals and five percent (5%) of the funds shall be designated to be paid to psychiatric hospitals.

(b) At no time shall the amount for a qualifying hospital exceed its unreimbursed costs as reported in the most recently available Joint Annual Report (JAR).

(c) Hospitals are disqualified from receiving essential access payments that:

(1) Are not participating in the TennCare program at the time of payment;

(2) Do not have at least ten percent (10%) or greater TennCare utilization based on TennCare adjusted days as found in the most recently available JAR; or

(3) Did not report or correct all of the required JAR information by the established deadline.

(d) If it becomes apparent that federal financial participation will not be approved under this methodology, a committee composed of the speaker of the senate, the speaker of the house and the commissioner of finance and administration may decide to do one of the following:

(1) Opt to pay only the state appropriation under the methodology as described above; or

(2) Alter the methodology as requested by CMS in order to gain approval for federal financial participation.

SECTION 2. The commissioner of finance and administration is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.